



DIRK KEMPTHORNE
GOVERNOR

NEWS RELEASE

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CONTACT: David Lehman
(208) 334-2100

GROUNDBREAKING MEDICAID REFORM **APPROVED BY FEDERAL GOVERNMENT**

(BOISE) Idaho Governor Dirk Kempthorne's landmark proposal to reform Medicaid has won approval from the federal Centers for Medicare and Medicaid Services.

Kempthorne met with U.S. Department of Health and Human Services Secretary Mike Leavitt today in Washington, D.C., to finalize the last phase of approvals before implementing the new program on July 1, 2006. Earlier this year, the Idaho Legislature passed fourteen separate pieces of legislation supporting Kempthorne's reform proposal.

"With the federal approval received today, Idaho will lead the nation in modernizing a health care system for the poor, disabled and the elderly that has not been updated since its creation 40 years ago," Governor Kempthorne said. "Through these reforms, we will turn our focus away from cumbersome federal rules and regulations and toward a common sense approach that puts the health of the recipient first. By giving people access to the right care at the right time – before there is a crisis – we will help them become healthier and reduce the cost of the program at the same time."

The Governor's innovative approach to reform has captured the attention of Medicaid programs throughout the nation. In June, the Idaho Medicaid reform plan will be presented at the National Medicaid Congress in Washington, D.C., as a model for successful Medicaid reform.

(MORE)

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Kempthorne's proposal eliminates the "one size fits all" philosophy that has been the standard for Medicaid nationwide since the program began in 1965. The Idaho reform breaks that model by creating three different benefit plans tailored to meet clients' needs. All three plans place substantial focus on prevention and wellness, and responsible use of healthcare services.

The three plans are:

- The Basic Plan for low-income children and working-age adults;
- The Enhanced Plan for individuals with disabilities or special needs; and
- The Medicare-Medicaid Coordinated Plan for elders.

There are nearly 180,000 Medicaid enrollees in Idaho. The vast majority — about 140,000 — will be enrolled in the Basic Plan. Enrollees in this plan will see changes that will parallel private insurance coverage with an emphasis on preventive and wellness care. Giving clients choices in health care services will be a hallmark of all three plans.

Other changes authorized in the federal approval include closing loopholes in the transfer of assets that allow a person to become Medicaid-eligible, and approval of selective contracting for certain Medicaid services. Both actions are expected to help hold down cost increases that Medicaid has experienced in recent past.

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